

# Sustainability and ESG (Environmental, Social, Governance)

A research report on providers delivering technologies,  
managed services and accreditation around sustainability



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Sustainability and environmental, social and governance (ESG) concepts have recently gained significant traction, transforming from niche concerns to central pillars of business practices and societal progress.

Increasing awareness of environmental and social issues, evolving regulatory landscapes and changing consumer preferences drive this transition. As the urgency of addressing global challenges intensifies, sustainability and ESG emerge as vital frameworks for driving positive change.

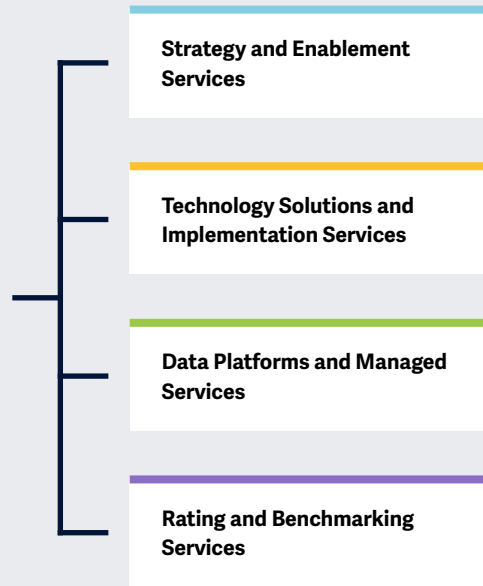
Service providers increasingly recognize the importance of sustainability. They leverage technologies to address environmental and social challenges. From energy providers to transportation companies, providers develop or adopt technology-driven solutions to reduce carbon footprints, optimize resource use and increase diversity and inclusion, demonstrating innovation while showcasing their commitment to green practices and promoting a circular economy.

Service providers are finding ways to transparently communicate their sustainability efforts to gain the trust and loyalty of environmentally conscious consumers. They play a crucial role in advancing sustainable practices and mitigating environmental impacts.

Service providers can win over environmentally conscious consumers, differentiate themselves in the market, avoid regulatory and reputational risks, and potentially justify premium margins by using data and transparently showcasing sustainability efforts while obtaining recognized certifications. As technology advances and enterprise clients seek solutions to become more sustainable, service providers have an unprecedented opportunity to lead the transition toward a greener and more sustainable future.



Key areas of sustainability and ESG that cover strategy, **implementation, technologies, data and managed services**, including rating and benchmarking.



Simplified Illustration; Source: ISG 2023

**The 2023 ISG Provider Lens™ study on Sustainability and ESG (Environmental, Social, Governance) aims to evaluate providers and vendors across each of the core pillars of sustainability. These providers possess the ability to deliver:**

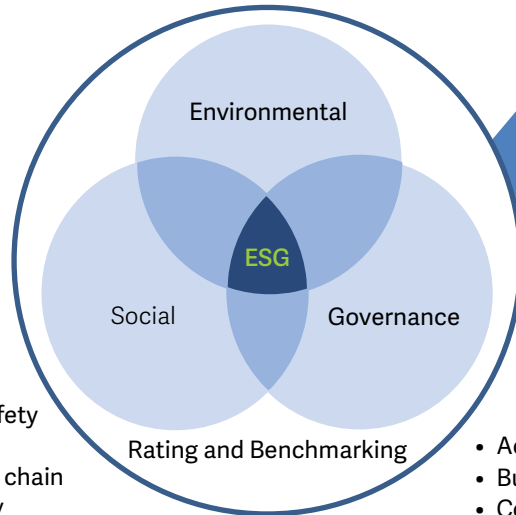
- Sustainability strategy and services that include implementation services and the delivery of industry-wide sustainability solutions
- Technologies to enhance efficiency and ESG outcomes
- Services to manage data, platforms and supply chains
- Ratings, accreditations and benchmarking services

Our study serves as an important decision-making tool for positioning key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential engagements.



## Sustainability and ESG (Environmental, Social and Governance) Components

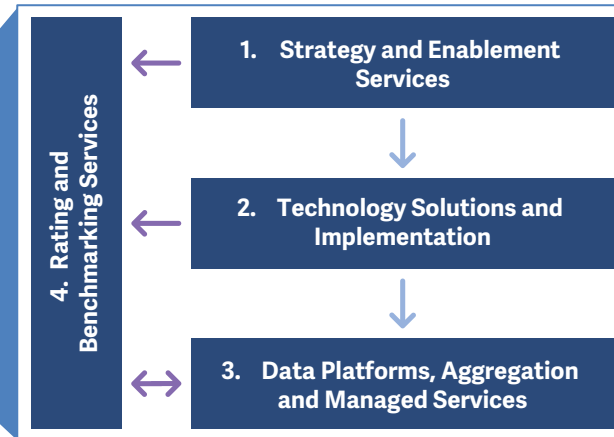
- Climate Change
- Greenhouse Gas emissions
- Water and resource usage
- Waste and pollution
- Biodiversity



- Health and safety
- Human rights
- Ethical supply chain
- Cyber security
- Diversity, Equity and Inclusion
- Coommunity impacts

- Accounting/Audit quality
- Business ethics, anti-briberyand corruption
- Corporate governance structure and engagement
- Risk Management

## Resulting Report Quadrants



## Strategy and Enablement Services

### Definition

This quadrant evaluates providers that offer sustainability strategy and enablement services that include implementation capabilities across industries. Delivering sustainability solutions involves various factors. For organizations aiming to help clients navigate the complex landscape of ESG responsibilities, providing strategic capabilities and services across several integrated areas related to enterprise sustainability, sustainable IT, operational technology and technology strategy becomes crucial.

There is much more to consider when focusing on sustainability, which ranges from ESG to a more traditional corporate social responsibility (CSR). Newer aspects that need to be included as part of sustainability are listed as follows:

- Decarbonizing the supply chain
- Creating a circular business delivery model
- Integrating diversity, equity and inclusion (DEI)
- Eliminating modern slavery
- Complying with key regulations, such as the German Supply Chain Act

Moreover, while some providers can develop strategies, the key to minimizing potential greenwashing issues is to work in the areas of procurement, project management, change, CX and sustainability delivery. Delivering these capabilities across several industries is crucial due to legislations or regulations varying by industry.

### Eligibility Criteria

1. Provide sustainability **strategy services for enterprises** across several industries
2. Offer services that deliver **technologies that produce sustainability**-focused benefits for enterprises
3. Demonstrate involvement in decarbonization, net **zero emissions, modeling, circular economy** and other environmental capabilities
4. Implement programs that include procurement, **project management, change management** and outcome measurement
5. Work across **sustainability lifecycle** management
6. Offer experience in policy, **regulation and strategy** implementation



## Technology Solutions and Implementation Services

### Definition

This quadrant evaluates service providers that offer technology solutions for the sustainability value chain.

Efficient value chains enabled by technology are increasingly important for ESG initiatives. Organizations can streamline operations, optimize resource use and reduce environmental impact through sustainable business process tools and management. Industry-specific operating technologies further enhance these efforts, tailoring solutions to specific sectors.

Providers must use various technologies across the sustainability value chain and focus on introducing automation into ESG initiatives.

Technology plays a significant role in making physical assets and resource-intensive processes more efficient. For example, digital twins, IoT, AI, ML, and building management systems optimize energy consumption and resource use in buildings and factories.

Within IT, technology enhances ESG practices across various domains. Green data center technology and data center footprint

optimization reduce energy consumption and environmental impact. Green coding, cloud platforms and integrated technologies enable sustainable development and resource-efficient operations, such as the circular economy and sustainability approaches crucial for reducing carbon emissions and promoting resource efficiency. Incorporating sustainability into end-user device lifecycle management, such as appropriately considering all environmental and social implications for component sourcing, is critical for enterprise clients.

Providers must offer cross-industry and value chain solutions, including waste management, decommissioning and redevelopment services to address environmental concerns and promote circular economy practices. Chemicals and materials management, pollution management and hazardous materials management solutions reduce negative environmental impacts and support regulatory compliance.

### Eligibility Criteria

1. Provide services that use process tools and **technologies to design and implement** more sustainable value chains in one or more areas of ESG outcomes
2. Deliver ESG initiatives by **deploying and integrating** automation
3. Provide or **manage technologies that make physical** assets (such as vehicles, energy or utility plants, buildings, factories and spaces) more sustainable
4. Demonstrate involvement of AI and ML, **digital twins and neuromorphic computing** in delivering opportunities for advanced sustainability solutions
5. Actively participate in the circular economy and **undertake efforts to reduce natural** resources consumption
6. Provide **technology solutions for enterprises** across various industries



## Data Platforms and Managed Services

### Definition

This quadrant assesses service providers that offer platforms covering sustainability data services, risk monitoring across business operations and the supply chain, and compliance with legislation and regulations.

Data services support ESG initiatives by providing valuable insights and facilitating informed decision-making. Platforms for collecting, measuring, monitoring, reporting and optimizing ESG data enable organizations to track and assess their ESG performance. Such evaluation enables them to perform end-to-end reporting and showcase the results to the market and customers in many areas, which include

- ISSB
- CSRD
- German Supply Chain Act
- SEC

ESG reporting and assurance/auditing services ensure accurate and transparent reporting of sustainability efforts. Carbon accounting software and services assist organizations in measuring and managing emissions. Supplier data/managed services are essential for ESG practices throughout the supply chain.

Supplier risk monitoring and partner support help organizations identify and address sustainability risks within their supply chains, promoting responsible sourcing practices. Sustainability risk monitoring enables organizations to assess and manage environmental and social risks associated with their suppliers. Ethical data use, including AI, supports responsible and ethical data practices and promotes transparency and fairness in decision-making processes.

Data services for procurement and supply chains are critical to promote sustainability. Procurement services for sustainability help organizations make sustainable and ethical purchasing decisions that consider environmental and social factors.

Environmental health and safety (EHS) managed services are vital for organizations to maintain a safe and environmentally responsible workplace. EHS performance management ensures compliance with environmental regulations, promotes workplace safety and reduces environmental risks. EHS risk management and mitigation strategies minimize environmental, employee health and safety risks, fostering a sustainable and responsible work environment.

### Eligibility Criteria

1. Provide services that capture, monitor, report and track sustainability efforts across enterprises
2. Offer platforms with sustainability monitoring, optimization, aggregation, carbon accounting and other ESG services
3. Provide supplier or third-party risk monitoring services
4. Offer managed services for ESG data feeds and ethical AI
5. Deliver ESG-focused procurement services
6. Deploy EHS performance management, reporting and monitoring solutions





## Rating and Benchmarking Services

### Definition

This quadrant assesses organizations that provide industry-agnostic ESG ratings, benchmarking services and credentials.

Ratings and benchmarking services play a vital role in driving ESG initiatives by providing standardized assessments and comparing organizations' environmental, social and governance performance.

Standardized ESG ratings across industries enable organizations to gauge their sustainability performance relative to their peers. By benchmarking against industry standards, companies can identify improvement areas and establish sustainability targets.

ESG rating services ensure the inclusion of E, S and G requirements. For E, agencies measure and rate organizations based on their emissions footprint. They help companies

comprehend Scope 1, 2 and 3 emissions, which encompass direct emissions, indirect emissions from purchased energy and emissions from the entire value chain, respectively. Further assessment across ESG factors, such as energy efficiency, waste management, labor practices, diversity and inclusion, board diversity, executive compensation and ethical business practices, are standard.

These services incorporate supply chain tracking and measurement. This implies that organizations are evaluated not only on their internal practices but also on suppliers' sustainability performance. Assessing the entire supply chain helps identify potential risks, such as unethical labor practices or environmental violations, encourage organizations to engage with suppliers and improve sustainability practices.

### Eligibility Criteria

1. Provision of **standard ESG rating services**
2. Ability to **benchmark organizations and services** across industries
3. Rating of **organizations based on their emissions** footprint into Scope 1, 2 and 3
4. Inclusion of **environmental, social and governance requirements**
5. Accreditation **services to peer review** organizations



## Quadrants by Region

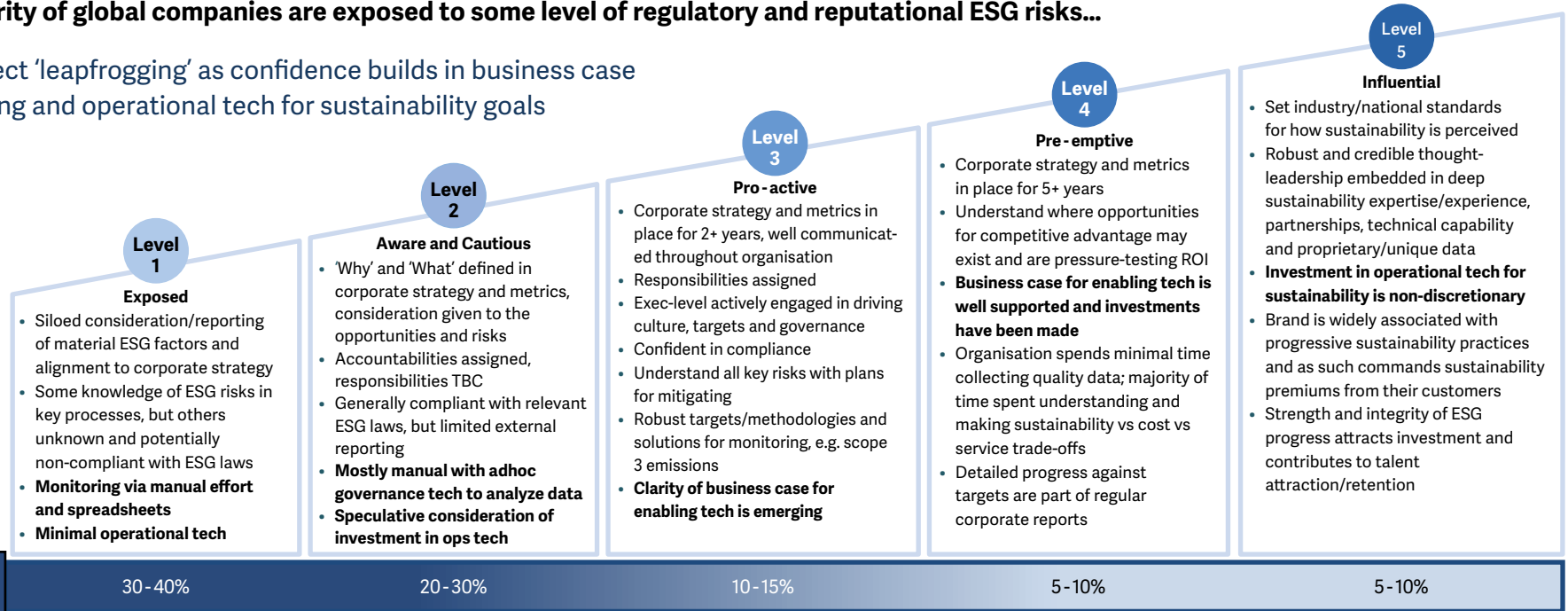
As a part of this ISG Provider Lens™ quadrant study, we are introducing the following four quadrants on Sustainability and ESG (Environmental, Social, Governance) for 2023:

Quadrant	U.S.	Europe	Global	Brazil
Strategy and Enablement Services	✓	✓		✓
Technology Solutions and Implementation Services	✓	✓		✓
Data Platforms and Managed Services	✓	✓		✓
Rating and Benchmarking Services			✓	



The majority of global companies are exposed to some level of regulatory and reputational ESG risks...

...but expect 'leapfrogging' as confidence builds in business case for enabling and operational tech for sustainability goals



<sup>1</sup>Sources: ISG client surveys, discussions & research, ACCC surveys, analysis of other third party surveys.



## Archetype Definitions

ISG archetypes offer various environments, industries and providers a simple framework to assess user needs and provider capabilities, reflecting current marketplace knowledge, buyer goals, resources and initiatives. Archetype characteristics evolve via advisory work, consulting and global market research programs.

- 1. Exposed** – This segment includes organizations facing challenges in considering and reporting material ESG factors while aligning them with their corporate strategies. While there is some awareness of ESG risks in certain processes, there is a lack of knowledge in others, potentially resulting in noncompliance with ESG laws and regulations. ESG performance monitoring is conducted through manual efforts and spreadsheets, indicating limited technology use for data collection and analysis. Companies have minimal operational tech infrastructure to support ESG initiatives. They must bridge this gap to enhance ESG performance, ensure compliance and improve monitoring and reporting capabilities.
- 2. Aware and Cautious** – This segment includes organizations demonstrating a strong awareness of ESG factors and their significance. These organizations recognize opportunities and risks associated with ESG and consider them in decision-making. Corporate strategies clearly define the “why” and “what” of ESG initiatives, with metrics in place to measure progress. While accountabilities have been assigned, there is a need to clarify responsibilities within the organization. For compliance, companies adhere to relevant ESG laws and regulations. However, their external reporting on ESG performance is limited, indicating scope for improvement in transparency and accountability. Monitoring and governance practices rely primarily on manual processes, although some ad hoc governance technology is used to analyze ESG data. Companies, to enhance ESG performance, should consider investing in operational technology, which suggests a growing commitment to data-driven decision-making and continuous improvement.
- 3. Pro-active** – This segment includes organizations demonstrating high commitment and engagement toward ESG. Their corporate strategies and metrics have been established and effectively communicated throughout the organization for over two years. Responsibilities are assigned, ensuring accountability at all levels. The executive-level leadership actively drives a culture of sustainability, setting ambitious targets and ensuring strong governance practices. Companies have a confident stance on compliance with relevant ESG laws and regulations. Typically, they have an in-depth understanding of all key risks associated with ESG and have implemented robust mitigation plans. Their approach includes well-defined methodologies and solutions for monitoring various aspects, such as Scope 3 emissions, showcasing a comprehensive understanding of environmental impact. While they possess expertise in ESG practices, the business case for enabling technologies is becoming more apparent. Their understanding of how technologies can further enhance sustainability efforts is growing, indicating potential future investments in technology-driven solutions.
- 4. Pre-emptive** – This segment includes organizations that have adopted a proactive and forward-thinking approach to ESG. They have had a corporate strategy and metrics for ESG initiatives for more than five years, showcasing their long-term commitment to sustainability. Preemptive companies have an in-depth understanding of where opportunities for competitive advantage exist. They are actively testing ROIs for these opportunities. The business case for enabling technology is well supported, and organizations have invested in implementing these technologies. They recognize the value of leveraging technologies to drive sustainability efforts and enhance their competitive position. They have streamlined their data collection processes, spending minimal time gathering data and more time analyzing and understanding the implications of sustainability decisions. This process allows them to make informed trade-offs between sustainability, cost



and service considerations. Detailed progress against targets is integral to regular corporate reports, highlighting an organization's commitment to transparency and accountability. By including these updates in their reports, organizations demonstrate their dedication to tracking and communicating their sustainability performance to stakeholders.

5. **Influential** – This segment includes organizations that have established themselves as a leader in the ESG field, setting industry and national standards for how sustainability is perceived. Their thought leadership is robust and credible, stemming from deep expertise, extensive experience, valuable partnerships, strong technical capabilities and access to proprietary/unique data. They recognize that investment in operational technology for sustainability is not discretionary but essential for continued success. They prioritize integrating technology into their operations to enhance their sustainability

efforts and drive positive impact. They are widely associated with progressive sustainability practices, leading to a commanding position in the market. Their commitment to sustainability allows them to command sustainability premiums from customers who value environmentally and socially responsible practices. The strength and integrity of their ESG progress contribute to their market position and attract investments from stakeholders who align with their sustainability values. Their focus on ESG and sustainable practices is crucial for talent attraction and retention, as individuals are drawn to companies that prioritize sustainability and make a positive impact.



The research phase falls in the period between May and July 2023, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in November 2023.

Milestones	Beginning	End
Survey Launch	July 20, 2023	
Survey Phase	July 20, 2023	September 4, 2023
Sneak Preview	November 2023	December 2023
Press Release and Publication	January 2024	

Please refer to the [link](#) to view/download the ISG Provider Lens™ 2023 research agenda

**Access to Online Portal**

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to the instructions provided in the invitation email to generate a new password. We look forward to your participation!

**Research Production Disclaimer:**

ISG collects data for the purposes of writing research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens™ reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



### ISG Star of Excellence™ – Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the voice of the customer concept. The Star of Excellence™ is a program designed by ISG to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts will be continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in the context of its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

It is our vision that the Star of Excellence™ will be recognized as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement, please use the Nominate (for providers) section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily. Please allow up to 24 hours for a reply.

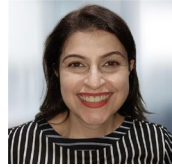
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**Analyst**



**Sreya**  
**Ghosh**  
**Project**  
**Manager**





### ISG Provider Lens™ Advisors Involvement Program

ISG Provider Lens™ offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings, enterprise requirements and market trends. On average, three advisors participate as part of each study's quality and consistency review team (QCRT).

The QCRT ensures each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the QCRT group and contribute at different levels depending on their availability and expertise.

The QCRT advisors:

- Help define and validate quadrants and questionnaires
- Advise on service provider inclusion and participate in briefing calls
- Give their perspectives on service provider ratings and review report drafts

## ISG Advisors to this study



**Kathy  
Rudy**

**Chief Data and  
Analytics Officer**



**Matt  
Warburton**

**Principal Consultant  
and Sustainability Lead**



## Invited Companies

**If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.**

3Degrees	Atlas Governance	ClearBlue Markets	EcoAct
ABB	Atos	climeworks	ecocart
Accenture	Avetta	Cloudera	Ecometrica
Achilles	AWS	Coforge	EcoVadis
Agrosmart	Bain & Company	Cognizant	Enablon
Agrotools	BCG	Compass UOL	ENGIE Impact
Aliant	Blueshift	Computacenter	EPAM
Alibaba Cloud	Boston Consulting Group	CoreSite	Equinix
Allcot Group	Bravo GRC	DEEP ESG	Ericsson
Ambipar	Bureau Veritas	Dell	ERM
Anthesis Group	Capgemini	Dell Technologies	Eviden
Arabesque S-Ray	Carbon Trust	Deloitte	EY
Aravo solution	Carbonext	Devoteam	FactSet ESG Research
Arup	CGI	Digital Realty	Falconi
Arvato Systems	Cisco	DNV (Det Norske Veritas)	FirstCarbon Solutions
AT&T	CLAM Meio Ambiente	DXC Technology	FTSE Russell



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Fujitsu	Hexaware Technologies	Introba (formerly Integral Group)	MongoDB
Gaia Consulting	Hitachi Solutions	ISS ESG	Moody's
Gaia Rating/EthiFinance	Honeywell	KKS Advisors	Moss
General Electric	HPE	KMD	Mphasis
Genpact	Huawei	KPMG	MSCI ESG Research
Gensuite	Humanizadas	Kyndryl	Natural Capital Partners
GEP	IBM	Logicalis	NEC
GFT	ICF International	LTIMindtree	NNIT
Globant	ilegra	Luxoft	NTT Data
Goby	Imaflora	MadeinWeb	Nvidia
Google	Implement Consulting	McKinsey	Oekom Research
greenly	INBS	Measurabl	Oracle
GreenPlat	Incentiv	Mercer	Oracle
GRESB	Infosys	MetricStream	OVHcloud
Guidehouse	Intel	Microsoft	owl analytics
HCLTech	Intelix	Minsait	pachama



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PE INTERNATIONAL	Salesforce	Sustainable Carbon	Visagio
persefoni	SAP	Sustainalytics	VMware
Prevalent	SAP SE	sylvera	Vodafone
Procurement Garage	Schneider Electric	TCS	watershed
Protiviti	ServiceNow	Tech Mahindra	WayCarbon
PwC	SG Analytics	Telekom Deutschland	Wipro
Qualcomm	SGS	Templum	WNS
Rackspace	SGS SA	Tietoevry	YSSY
Refinitiv	Siemens	TIVIT	Zensar Technologies
Refinitiv ESG Scores	Siemens Energy	TOTVS Consulting	
Renoir Group	Snowflake	Truvalue labs	
Reply	SoftExpert	T-Systems	
RepRisk	South Pole	Unisys	
Responsible Business Alliance	Splunk	Urjanet	
Ripple	Stefanini	Verizon	
S&P Global Ratings ESG Evaluation	Stefanini IT Solutions	Virtusa	



### iSG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

### iSG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

ISG offers research specifically about providers to state and local governments (including counties, cities) as well as higher education institutions. Visit: [Public Sector](#).

For more information about ISG Research™ subscriptions, please email [contact@isg-one.com](mailto:contact@isg-one.com), call +1.203.454.3900, or visit [research.isg-one.com](http://research.isg-one.com).

### iSG

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Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit [isg-one.com](http://isg-one.com).





**JULY, 2023**

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**BROCHURE: SUSTAINABILITY AND ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE)**